

## NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

### NOTICE OF EXEMPT RULEMAKING

#### TITLE 2. ADMINISTRATION

#### CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

*Editor's Note: The following Notice of Exempt Rulemaking was exempt from Laws 2010, Ch. 287, § 18. (See the text of § 18 at 16 A.A.R. 881, May 28, 2010.)*

[R11-57]

#### PREAMBLE

- 1. Sections Affected**  
R2-20-702
- Rulemaking Action**  
Amend
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**  
Authorizing statute: A.R.S. § 16-940, et seq.  
Implementing statute: A.R.S. § 16-956(C).
- 3. The effective date of the rules:**  
Following preclearance by United States Department of Justice dated April 12, 2011.
- 4. A list of all previous notices appearing in the *Register* addressing the exempt rule:**  
Not applicable
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**  
Name: Todd Lang, Executive Director  
Colleen McGee, Deputy Director  
Address: Citizens Clean Elections Commission  
1616 W. Adams St., Suite 110  
Phoenix, AZ 85007  
Telephone: (602) 364-3477  
Fax: (602) 364-3487  
E-mail: todd.lang@azcleelections.gov  
colleen.mcgee@azcleelections.gov
- 6. An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:**  
R2-20-702(C). Amends R2-20-702(C)(2) to clarify that limits on candidate expenditure for staff meals apply on a per person basis;
  - Amends R2-20-702(C)(3) to clarify that the list of items identified for "personal use" is not exclusive;
  - Adds provision R-2-20-702(C)(3)(h) to prohibit candidates from purchasing extended warranties that extend beyond the campaign;
  - Adds language to R-2-20-702(C)(6) to establish that fixed assets purchased with campaign funds that are valued at \$200 or more and that may be used for non-campaign purposes must be turned over to the Commission after an election. This addition also states that, in lieu of providing the item, candidates may pay 50 percent of the original purchase price of the fixed asset to the Commission.

Notices of Exempt Rulemaking

7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study and other supporting material:

Not applicable

8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. The summary of the economic, small business, and consumer impact:

Not applicable

10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Changes between rules as initially proposed and as finally adopted by the Commission were primarily grammatical and stylistic. A proposed rule was made available for public comment in 2010 that provided that candidates could purchase fixed assets with a value of more than \$200 for 75 percent of their original purchase price within one week of the close of the applicable election period. After a public comment period, the Commission voted to alter that provision to permit purchase for 50 percent of the original purchase price within 30 days of the close of the applicable election period. The Commission then sought public comment on the revised rule, which became the final rule.

11. A summary of the comments made regarding the rule and the agency response to them:

The Commissioners solicited public comment throughout the rulemaking process.

The Commissioners considered the rule in open meetings and took actions they deemed appropriate.

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

13. Incorporations by reference and their location in the rules:

Not applicable

14. Was this rule previously made as an emergency rule? If so, please indicate the *Register* citation:

Not applicable

15. The full text of the rules follows:

TITLE 2. ADMINISTRATION

CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

ARTICLE 7. USE OF FUNDS AND REPAYMENT

Section

R2-20-702. Use of Campaign Funds

ARTICLE 7. USE OF FUNDS AND REPAYMENT

**R2-20-702. Use of Campaign Funds**

- A. A participating candidate shall use funds in the candidate's current campaign account to pay for goods and services for direct campaign purposes only. Funds shall be disbursed and reported in accordance with A.R.S. § 16-948(C).
- B. A participating candidate's payment from a campaign account to a political committee or civic organization is not a contribution if the payment is reasonable in relation to the value received. Payment of customary charges for services rendered, such as for printing voter or telephone lists, and payment of not more than \$200 per person to attend a political event open to the public or to party members shall be considered reasonable in relation to the value received.
- C. A participating candidate shall not use funds in the candidate's campaign account for:
1. Costs of legal defense in any campaign law enforcement proceeding.
  2. Food and beverages for staff and volunteers exceeding \$11 for breakfast, \$16 for lunch, and \$27 for dinner, per person.
  3. Personal use, which includes, but is not limited to, any item listed below:
    - a. Household food items or supplies.
    - b. Clothing, other than items of de minimis value that are used in the campaign, such as campaign "t-shirts" or caps with campaign slogans.
    - c. Tuition payments, other than those associated with training campaign staff.
    - d. Mortgage, loan, rent, lease or utility payments:

**Notices of Exempt Rulemaking**

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- i. For any part of any personal residence of the candidate or a member of the candidate's family; or
- ii. For real or personal property that is owned or leased by the candidate or a member of the candidate's family and used for campaign purposes, to the extent the payments exceed the fair market value of the property usage.
- e. Admission to a sporting event, concert, theater or other form of entertainment, unless part of a specific campaign activity.
- f. Dues, fees or gratuities at a country club, health club, recreational facility or other nonpolitical organization, unless they are part of the costs of a specific fundraising event that takes place on the organization's premises.
- g. Gifts or donations.
- h. Extended warranties or other similar purchase options that extend beyond the campaign.
- 4. For any part of any personal residence of the candidate or a member of the candidate's family; or
- 5. For real or personal property that is owned or leased by the candidate or a member of the candidate's family and used for campaign purposes, to the extent the payments exceed the fair market value of the property usage.
- 6. Fixed assets with a value in excess of \$800, provided the item is for a sufficient campaign use. Fixed assets purchased with campaign funds that can be used for non-campaign purposes with a value of \$200 or more shall be turned in to the Commission no later than 30 days after the primary election or the general election if the candidate was successful in the primary. A candidate may elect to reimburse the Commission for 50% of the original purchase price of the item instead of turning in the item.
- 7. A joint campaign expenditure with a nonparticipating candidate who has previously triggered matching funds for the participating candidate during the primary or general election cycle in which the proposed expenditure is to take place.
- D. During the primary election period, a participating candidate shall not make any expenditure greater than the difference between:
  - 1. The sum of early contributions received plus public funds disbursed through the primary election period; less
  - 2. All other expenditures made during and for the exploratory, qualifying and primary election periods.
- E. During the general election period, a participating candidate shall not make any expenditure greater than the difference between:
  - 1. The amount of public funds disbursed during and for the general election period; less
  - 2. All other expenditures made during and for the general election period.